

March 25, 2011

To: Executive Board

Subject: **Fiscal Year 2011 Management Contractor Incentive Payment**

Recommendation

Authorize an incentive payment in an appropriate amount to Veolia Transportation for their efforts on behalf of Foothill Transit related to the Ecoliner project and other activities.

Analysis

Section 4.1 of the management services agreement between Foothill Transit and Veolia provides for the payment of an extraordinary performance bonus of up to \$100,000 annually. This amount shall be paid at the sole discretion of the Executive Board and shall not be added to the base compensation of Veolia Transportation for the ongoing management services that Veolia Transportation provides.

Attached is correspondence from Mr. Ken Westbrook, Chief Operating Officer for Veolia Transportation, which outlines the work that Veolia Transportation performed for Foothill Transit which might warrant consideration of such a bonus or incentive payment. Specifically, Mr. Westbrook discusses the work related to Foothill Transit's successful implementation of the Ecoliner—the world's first heavy-duty fast-charge electric bus project; and success in being awarded \$10.2 million in TIGGER funding—the largest single TIGGER grant awarded in the country .

Please note that Mr. Westbrook indicates in his letter that any incentive payment would be focused on enhancing programs for the Veolia Transportation employees assigned to serve Foothill Transit.

Budget Impact

Funding is available in the Fiscal Year 2011 operating budget for this incentive payment.

Sincerely,



Darold Pieper
Legal Counsel



March 17, 2011

Roger Chandler, Chair
Foothill Transit
100 S. Vincent Ave., Suite 200
West Covina, CA 91790

Re: Incentive Payment

Dear Chair Chandler:

The management services agreement between Foothill Transit and Veolia Transportation includes the opportunity for an incentive payment. This payment may be awarded at the sole discretion of the Executive Board in an amount up to \$100,000. The purpose of this letter is to seek your consideration of award of this incentive payment.

This past year has been most exciting for Foothill Transit. In August of last year, Foothill Transit introduced a new technology to the transit industry: the Ecoliner. As you know, the Ecoliner is the world's first heavy-duty, fast-charge electric bus. This project has placed Foothill Transit as an industry leader in innovation. We applaud your vision in advancing this project and we are extremely proud to have managed this project on your behalf.

As part of the launch of this project, we assisted in generating local, national and international press coverage of this project. Further, and perhaps more important, we have assisted in securing the interest of Congress and Federal Transit Administration in this important project. It was a particular honor to have Rep. John Mica in attendance at the launch event. Mr. Mica now serves as the Chair of the important House of Representatives Transportation and Infrastructure Committee.

One of the outcomes of this effort was the award of a \$10.2 million TIGGER II grant. This was not only the largest grant under the TIGGER II program in the State of California, but the largest in the nation. Further, this is the largest grant award in Foothill Transit's industry.

We believe the work that has been accomplished related to the Ecoliner is the type of activity envisioned when the incentive payment section of the contract was put in place. This is just one of many projects that we have been honored to advance on your behalf. Others include stabilizing the organization's financial position, initiating an environmental sustainability program and completion of a number of capital projects using ARRA funds.

In light of these accomplishments, we respectfully request your consideration of a one-time incentive payment that is appropriate given our level of effort and accomplishments. If approved by the Executive Board, Veolia Transportation will use any funds provided to enhance programs for our employees assigned to the Foothill Transit contract and recognize their efforts.



Thank you for your consideration and for the opportunity to serve Foothill Transit. If you have any questions regarding this request, please contact me at (240) 485-2124.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Westbrook', with a long, sweeping horizontal line extending to the right.

Ken Westbrook
President and Chief Operating Officer

cc: D. Pieper
D. Barnes